

# HOUSE BILL No. 1266

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-9-27.

**Synopsis:** Drainage board assessments. Specifies that for periodic payments of drainage assessments first certified after June 30, 2015, the interest rate is equal to the prime rate plus one percentage point (rather than 10%, under current law).

**Effective:** July 1, 2015.

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January 13, 2015, read first time and referred to Committee on Local Government.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1266

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 36-9-27-85 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 85. (a) The board shall  
3 certify the list of assessments apportioned under section 84 of this  
4 chapter to the auditor of each county in which there are lands to be  
5 assessed.  
6 (b) Whenever the order of the board establishing an annual  
7 assessment for periodic maintenance becomes final, the board shall  
8 certify that annual assessment to the auditor of each county in which  
9 there are lands to be assessed. The annual assessment shall be collected  
10 each year until changed or terminated by the board.  
11 (c) The county auditor shall extend assessments for construction and  
12 reconstruction upon a book to be known as the ditch duplicate, for the  
13 full period of payment allowed for all assessments for construction and  
14 reconstruction, with:  
15 (1) interest at ten percent (10%) per year, **for annual assessments**



1 **first certified under subsection (a) before July 1, 2015; or**  
 2 **(2) interest at a rate per year equal to the sum of:**  
 3 **(A) the prime rate, as listed in the Wall Street Journal for**  
 4 **the last business day of the calendar quarter preceding the**  
 5 **certification of the assessment; plus**  
 6 **(B) one (1) percentage point;**  
 7 **for annual assessments first certified under subsection (a)**  
 8 **after June 30, 2015;**

9 upon all payments deferred beyond one (1) year from the date that the  
 10 certification is made. However, the county auditor may not charge  
 11 interest on assessments for construction or reconstruction financed  
 12 through a bond issue under section 94 of this chapter.

13 (d) Whenever any sum is certified under this section and is not  
 14 expended within two (2) years after payment of the most recently  
 15 allowed claim for work on a drain, the county auditor, with the  
 16 approval of the board, shall promptly transfer the unexpended sum to  
 17 the periodic maintenance fund for that drain. If there is no periodic  
 18 maintenance fund for the drain, the unexpended sum may be  
 19 transferred to the general drain improvement fund or funds of the  
 20 county or counties affected by the drain, in proportion to the original  
 21 apportionment and certification of costs for the drain.

22 SECTION 2. IC 36-9-27-86, AS AMENDED BY P.L.175-2006,  
 23 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 24 JULY 1, 2015]: Sec. 86. (a) Not later than thirty (30) days after the  
 25 county auditor receives the certification of final costs for the  
 26 construction or reconstruction of a drain, the auditor shall deliver a  
 27 copy of the ditch duplicate to the county treasurer. The treasurer shall  
 28 either:

29 (1) not later than fifteen (15) days after receipt of the copy of the  
 30 ditch duplicate, mail to each person owning lands assessed for the  
 31 construction or reconstruction a statement showing:

32 (A) the total amount of the assessment; and

33 (B) the installment currently due; or

34 (2) add a statement showing:

35 (A) the total amount of the assessment; and

36 (B) the installment currently due;

37 to the first property tax statement mailed by the county treasurer  
 38 after receipt of the copy of the ditch duplicate to each person  
 39 owning lands assessed for the construction or reconstruction.

40 The county treasurer shall designate a statement described in  
 41 subdivision (2) in a manner distinct from general taxes.

42 **(b) A statement described in ~~subdivision (1) or (2)~~ subsection (a)(1)**



1 or **(a)(2)** must state that the owner may pay the assessment in full  
 2 within one (1) year or may pay only the installment due within the  
 3 current year, with deferred payments in annual installments with:

4 **(1) interest at ten percent (10%) per year, for annual assessments**  
 5 **first certified under subsection (a) before July 1, 2015; or**

6 **(2) interest at a rate per year equal to the sum of:**

7 **(A) the prime rate, as listed in the Wall Street Journal for**  
 8 **the last business day of the calendar quarter preceding the**  
 9 **certification of the assessment; plus**

10 **(B) one (1) percentage point;**

11 **for annual assessments first certified after June 30, 2015;**

12 except as otherwise provided in section 85(c) of this chapter.

13 ~~(b)~~ **(c)** Each year, the county treasurer shall add to the tax statements  
 14 of a person owning the land affected by an assessment, designating it  
 15 in a manner distinct from general taxes, the full annual assessment for  
 16 periodic maintenance and all construction and reconstruction  
 17 assessments due in the year the statement is sent.

18 ~~(c)~~ **(d)** For purposes of the collection of any assessment, the  
 19 assessments are considered taxes within the meaning of IC 6-1.1, and  
 20 they shall be collected in accordance with the property tax collection  
 21 provisions of IC 6-1.1, except for the following:

22 (1) An assessment is not the personal obligation of the owner of  
 23 the land affected by the assessment, and only the land actually  
 24 affected by an assessment shall be sold for delinquency.

25 (2) An annual assessment for periodic maintenance that is not  
 26 more than twenty-five dollars (\$25) shall be paid at the first time  
 27 after the assessment when general property taxes are payable.

28 (3) An assessment of less than five dollars (\$5) is increased to  
 29 five dollars (\$5). The difference between the actual assessment  
 30 and the five dollar (\$5) amount that appears on the statement is a  
 31 low assessment processing charge. The low assessment  
 32 processing charge is considered a part of the assessment.

33 (4) The exemptions under IC 6-1.1-10-2, IC 6-1.1-10-4, and  
 34 IC 6-1.1-10-5 do not apply to assessments imposed under this  
 35 chapter.

36 ~~(d)~~ **(e)** Not later than June 1 of each year, the county treasurer shall,  
 37 in the manner specified by the state land office, send to the state land  
 38 office a list of all properties:

39 (1) for which one (1) or more assessment payments under this  
 40 section are delinquent; and

41 (2) that are owned by:

42 (A) the state; or



1 (B) a state agency.

2 SECTION 3. IC 36-9-27-88 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 88. (a) All final  
4 assessments, other than annual assessments for periodic maintenance,  
5 are due and may be paid upon the date of certification of the final  
6 assessment to the county auditor, except that:

7 (1) the owners liable for the payment of the assessments may elect  
8 to pay them in equal installments of at least fifty dollars (\$50) per  
9 year, plus interest on the deferred payments, over a period of not  
10 more than five (5) years, with the yearly payments to be made  
11 semiannually at the time general taxes are payable; and

12 (2) when the board designates land as urban land in its  
13 certification of the list of assessments, the owners liable for the  
14 payment of assessments on the urban land may elect to pay them  
15 in equal installments of at least one hundred dollars (\$100) per  
16 year, plus interest on the deferred payments, over a period of not  
17 more than twenty (20) years, with the yearly payments to be made  
18 semiannually at the time general taxes are payable.

19 (b) For final assessments subject to this section that are first  
20 certified after June 30, 2015, the rate per year of interest under  
21 subsection (a)(1) is equal to the sum of:

22 (1) the prime rate, as listed in the Wall Street Journal for the  
23 last business day of the calendar quarter preceding the  
24 certification of the assessment; plus

25 (2) one (1) percentage point.

